



Date: March 14, 2014

To: Hon. Catherine Osten, Co-Chair
Hon. Jason Rojas, Co-Chair
Members of the Planning and Development Committee

From: Jude Carroll, Community Development Specialist, Connecticut Housing Coalition

Re: Raised Bill 5511: An Act Granting a Moratorium from the Affordable Housing Land Use Appeals Process upon Completion of an Incentive Housing Development

Good afternoon Senator Osten, Representative Rojas, and members of the Planning and Development Committee. My name is Jude Carroll; I'm the Community Development Specialist at the Connecticut Housing Coalition (CHC). The Coalition represents the broad, vibrant network of community-based affordable housing activity that is happening across the state. Our more than 250 member organizations include nonprofit developers, human service agencies, resident associations, and diverse other housing practitioners and advocates. Founded in 1981, the Coalition works to expand housing opportunity and to increase the quantity and quality of affordable housing in Connecticut.

I'm here to testify in opposition to Raised Bill 5511: An Act Granting a Moratorium from the Affordable Housing Land Use Appeals Process upon Completion of an Incentive Housing Development. The Housing Coalition opposes this proposal for one very simple, yet compelling, reason: Connecticut is a very long way from meeting the need for affordable housing in every city and town in the state—regardless of local interest and participation in the state's incentive housing zones. While we support the Incentive Housing Zone process and funding plan, it is not a replacement for the benefits of G.S. § 8-30g, the Affordable Housing Land Use Appeals Act.

It's important to put our discussion today in context. What constitutes affordability? Who most needs an affordable home? And, how is Connecticut doing in terms of production? If you look at the numbers, you'll see a very meager picture of affordable housing. There are several population groups whose member households need affordable housing: the elderly, disabled, workforce, and those with extremely low income. The numbers I cite today focus primarily on low-income working households.

Who is Eligible for Affordable Housing in Connecticut?

According to the January 2014 *Report of the Interagency Council on Affordable Housing*, and numerous other reports, most of Connecticut's state funding for affordable housing sets income eligibility at 80 percent of Area Median Income (AMI). In 2010, AMI for the state was \$63,422 (remember Connecticut and other states were still crawling out from under the recession). Eighty percent AMI was \$50,738—earnings that would be considered “workforce” related. According to the 2010 American Community Survey, about 540,000 households (40 percent) in Connecticut had income below 80 percent AMI.

For comparison purposes, 200 percent of the federal poverty rate, is almost equivalent to 40 percent AMI or \$25,369 per household in 2010. There were approximately **243,882 Connecticut households earning 40 percent of AMI in 2010, or 18 percent of all Connecticut households (total of all households was 1,325,443)**. These numbers vary by town, but overall you can see we have a disproportionate number of individuals and families whose income makes them eligible for affordable homes.

Connecticut Housing Costs and Household Cost Burdens

In terms of overall housing affordability, Connecticut has the highest monthly housing costs in the country, the 8th highest median home values, and 8th highest housing wage (\$23.22 per hour to afford a two-bedroom unit at the HUD-determined Fair Market Rent.

According to data compiled by the National Low Income Housing Coalition, in 2013, 83 percent of extremely low-income renter households in Connecticut were cost burdened (i.e., with income less than 30 percent of AMI) were cost burdened. Sixty-nine percent were severely cost burdened, paying more than 50 percent of their income on housing costs. By comparison, only 8 percent of those households that were not low income—those earning 81 percent and more of AMI were cost burdened; 1 percent was severely cost burdened. (Please see attached fact sheet.)

Need versus Supply by Income Group

Again, according to calculations put together by the National Low Income Housing Coalition, the gap between need and supply varies by household income, being greatest among those with extremely low income. In 2013, there were 103 available affordable units for every 100 renter households—illustrating no gap between need and supply. However, among very low income and extremely low income renter households, we see a different story. There were only 63 available, affordable units for every 100 very low-income households and only 37 available, affordable units for every 100 extremely low income renter households. (Please see attached fact sheet.)

Connecticut's Home-Building Record

Between 2003 and 2012, Connecticut ranked 50th among all state, Washington, D.C. and Puerto Rico for the number of units built per capita. And some analysts believe that what the state did build was nowhere near what households needed, meaning Connecticut built an abundance of four bedroom McMansions and very few rentals, condos, townhouses and starter homes.

If we look at the stock of affordable rental homes by town, we see that there are very few communities that have reach the affordable housing land use threshold of 10 percent. According to the 2012 Affordable Housing Appeals List, only 31 towns across the state have at least 10 percent of their housing stock categorized as affordable, leaving 138 towns reporting in at less than 10 percent. In fact, 18 towns have less than 1 percent of their housing units affordable.

While the Incentive Housing Zone concept will eventually prove beneficial to the overall stock of affordable units in Connecticut, the effort to date does not give us enough evidence that this will be so. To reduce town and municipal responsibility for the support of affordable homes in their jurisdiction by rewriting § 8-30g of the state statutes would do a disservice to the hundreds of working families that need your support.

Statement of Need

According to the National Low Income Housing Coalition, Connecticut needs 90,492 units of affordable housing for low-income working families. C.G. § 8-30g has resulted in the construction of thousands of affordable units. And, because affordable units are typically part of mixed-income projects, several thousand market rate units have also resulted from §8-30g. Our state and local officials need to build on the success of § 8-30g along with expanding funding for incentive housing zones. IHZs and § 8-30g should be supported in tandem rather than being pitted against each other.

Thank you for the opportunity to speak with you this afternoon.

NATIONAL LOW INCOME HOUSING COALITION
2013 STATE HOUSING PROFILE

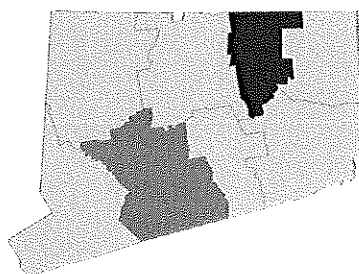
CONNECTICUT

Senators: Richard Blumenthal and Christopher Murphy

Many renters in Connecticut are extremely low income and face a housing cost burden. Across the state, there is a deficit of rental units both affordable and available to extremely low income (ELI) renter households, i.e. those with incomes at 30% or less of the area median income (AMI).

Last updated: 8/1/13

AFFORDABLE & AVAILABLE UNITS FOR ELI RENTER HOUSEHOLDS

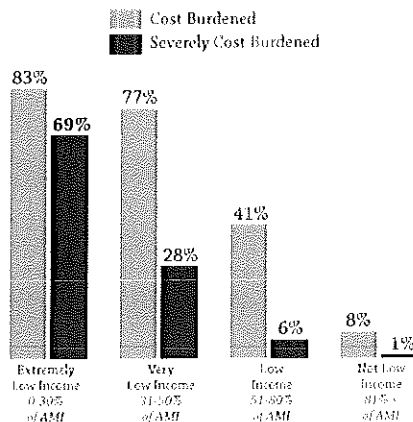


- Less than 24 units per 100 ELI households
- Between 24 - 34 units per 100 ELI households
- Above 34 units per 100 ELI Households

Source: NLIHC tabulations of 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) data

HOUSING COST BURDEN BY INCOME GROUP

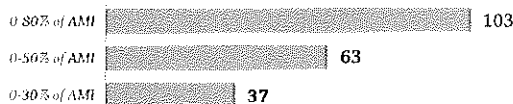
Renter households spending more than 30% of their income on housing costs and utilities are *cost burdened*; those spending more than half of their income are considered *severely cost burdened*.



Source: NLIHC tabulations of 2011 American Community Survey Public Use Microdata Sample (PUMS) housing file

HOUSING SHORTAGE BY INCOME THRESHOLD

The lower the income threshold, the greater the shortage of affordable and available units per 100 renter households.



Source: NLIHC tabulations of 2011 American Community Survey Public Use Microdata Sample (PUMS) housing file

KEY FACTS

31%

Households in this state that are renters

143,342

OR

32%

Renter households that are extremely low income

\$26,376

Maximum state level income for an extremely low income family of four

90,492

Shortage of units affordable and available for extremely low income renters

\$23.22

State Housing Wage

The amount a renter household needs to earn per hour to afford a two-bedroom unit at the HUD-determined Fair Market Rent

